

2015 BUDGET MESSAGE

BIRTHPLACE OF THE OIL INDUSTRY



PROPOSED BUDGET CHALLENGES & HIGHLIGHTS

We are pleased to provide you with a *recommended* and *balanced* 2015 Annual Operating Budget and Capital Plan that reflect the administration's commitment to provide essential services to residents while preserving our City's long-term financial viability.

This in mind, the General Fund, arguably the *most difficult* fund to balance, because it is the workhorse of municipal operations, is again proving to be the *least able to pay* for the services it must provide at increasing costs each year. One main reason continues to be the manner in which general fund revenues are legislatively structured and authorized. The General Fund is *heavily* dependent on the archaic property tax as well as inter-fund transfers from enterprise funds (Refuse, Water, & Sewer) for *cost allocation* of services provided.

Finances aside, there continues to be a *common* misunderstanding among property tax payers that the property tax pays for all city services. It is important to note that the *current year* property tax *does not come close to financing* our City's basic public safety (Police & Fire) services and

this rings true with the proposed 2015 budget as well.

With services and personnel levels cut to *minimums*, City Departments are again in 2015 being asked to continue to perform their same responsibilities with *smaller* budgets and *fewer* permanent staffing. The last tax increase in 2009 set additional mills for road maintenance purposes. Prior to that, the last increase was in 2006 when the City opted to tax at 100% of *assessed* property values. Since 2006, the budget has absorbed nearly \$273,000 in salary increases alone. Couple this with the fact that 2014 is the *last year* the City is permitted to opt the 75% *reduced amortization* for Fire and Police Pension Minimum Municipal Obligations (MMOs) and the fact that the *exempt* property *tax rate* in the City has *grown* to 55% and the realization is, these *financial challenges* must be met with an *increase in revenue*.

The enclosed plan *addresses* these *challenges* and offers *balanced* budgets for each fund that will allow

the City to continue to *provide essential services* to the public as well as *provide a means* to continue to *restore* public parks & facilities, as well as update our ailing fleet in the next year, at the cost of a *minimal tax* increase. Summary sheets are provided as to how this will affect property taxpayers in the City.



In accordance with Third Class City Code, Optional Charter Law, the proposed budget for all funds showing the estimated receipts and expenditures of every kind, and all other information of value as a basis for fixing the levy and tax rate for the next fiscal year is presented.

In conclusion, we would like to *thank* department heads and City staff for their commitment and *dedication* to the City as well as to the 2015 budget. We *appreciate* the *efforts* of all City employees and what they do on a daily basis to help make this community great. We look forward to discussion on the enclosed *recommended* budget for the upcoming year.

Mission Statement

"To deliver the highest level of service to residents efficiently, effectively, and as professionally as possible while maintaining affordability."

Respectfully submitted,

John A. Mann
City Manager

Gracia Gauristene
Finance Director

